

**UNIVERSITY OF ECONOMICS – VARNA**  
**Faculty of Management**  
**Management and Administration Department**

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**DESI SLAVA PAVLOVA PAVLOVA**

**CRISIS MANAGEMENT IN  
ORGANIZATIONS ENGAGED IN  
SORTING AND TRADING SECOND-  
HAND TEXTILES**

**ABSTRACT**

of a dissertation for the acquisition of the educational and scientific degree  
“Doctor” in the professional field 3.7. Management and Administration,  
doctoral program “Social Management”.

**Scientific Supervisor:** Assoc. Prof. Radka Petrova Ivanova, PhD

**VARNA**

**2025**

The dissertation consists of a total of 204 pages. It includes an introduction, three chapters, and a conclusion, comprising 187 pages, followed by 11 pages of references and 6 pages of appendices. The dissertation contains 31 figures, 12 tables, and 1 appendix. The reference list includes 111 sources, of which 24 are in Bulgarian and 87 are in English.

The defence of the dissertation will be held on ..... at ..... in room ..... at the University of Economics – Varna, during a meeting of the Scientific Jury appointed by Order No. .... of ..... issued by the Rector of the University of Economics – Varna.

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## **I. GENERAL CHARACTERISTICS OF THE DISSERTATION**

### **1.1. Relevance and significance of the problem**

Crises represent significant changes in the internal and external environment of any organization, placing it under pressure to ensure its long-term survival. Globalization, the rapid development and growing dependence of personal and social life on technologies, the instant exchange of information, and the increasing complexity of human and corporate relationships create an extremely dynamic environment in which modern organizations operate. This requires continuous investment of efforts and resources in quick adaptation and prevention of potential crises.

Effective crisis management, measured by successful outcomes and the reversal of threats into opportunities, depends on a good understanding of their nature, the reasons for their occurrence, the factors that influence them, and the selection of an appropriate strategy for prevention, response, and recovery. Crisis phenomena, as well as their management, are processes that progress through several stages, each with specific characteristics and appropriate methods for coping. The importance of the phase preceding the actual crisis lies in both prevention and preparedness, including developing an anti-crisis plan that, to a significant extent, anticipates communication needs, establishes a communication plan, identifies and trains spokespeople, and sets up alerting and monitoring systems. Crisis communication is a key pillar in implementing the selected strategies, both during the actual crisis phase and in the post-crisis period. When implementing strategies to address crisis phenomena at all stages of their development, organizations should engage in active crisis communication with internal and external stakeholders. In this sense, it is a key tool for the successful resolution of the crisis and will be considered further in the dissertation.

Crisis management is critical given the specific challenges modern organizations face. The changing regulations, globalization, increasing competition, and the emergence of new sustainable business models driven by growing consumer demand for sustainable products require companies to be prepared to address crises and ensure their sustainability and competitiveness.

The topic's relevance is further emphasized by the growing importance of the circular economy and the need for innovative waste-management solutions. The upcoming regulatory changes offer new opportunities for business development through material reuse, waste reduction, and product life-cycle extension, while also imposing new requirements that

organizations shall fulfil to carry out their activities, remain competitive, and ensure their sustainability and long-term survival. According to Boken et al., the transition to a circular economy model is an example of a radical change, which will require a new way of thinking and doing business<sup>1</sup>. The more radical the technical or product innovation, according to the author, the more challenging and the greater the likelihood that changes are required to the traditional business model. In this context, companies that fail to adapt their business models to the growing demand for sustainable development risk severe reputational crises, regulatory compliance issues, and financial instability. Given the increasing pressure on companies to respond to global environmental challenges and new development opportunities, preparation is needed to address uncertainty in resource management, legislative requirements, and stakeholder communication. Sustainable development and the circular economy require a higher level of strategic risk management than merely addressing potential crises and the crises themselves, as organizations need to strike a complex balance among their economic interests, environmental regulations, and social expectations.

Crisis management in the second-hand textile sorting and trading sector is essential not only for the stability and development of the industry itself, but also for achieving the global goals for sustainable development and environmental protection.

## **1.2. Degree of research on the problem**

Globally, crisis management in various economic sectors is a subject of considerable attention. The scientific literature contains a vast number of studies, focused both on individual elements and on specific markets or segments. The term "crisis" in its medical context was first used in the 15th century. In 1891, Henry Liddell and Robert Scott associated the term with a dangerous and unstable situation, referring to various groups of people. The first serious scientific research in crisis management dates back to the 1960s. Significant contributions to the understanding of the nature of organizational crises and crisis management have are given by Fink (1986), Shrivastava (1987, 1988, 1993), Mitroff (1987, 1993), Pauchant (1988), Pearson (1993), González-Herrero and Pratt (1996), Coombs (2007), Pearson and Clair (2007), Mazzei, A., Ravazzani (2015), etc. Some of the most popular authors' models for crisis management are those of Littlejohn (1893), Petak (1985), Fink (1986), Mitroff, Shrivastava and Udwadia (1987),

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<sup>1</sup> Bocken, N. M. P., de Pauw, I., Bakker, C., van der Grinten, B. (2016) Product design and business model strategies for a circular economy. *Journal of Industrial and Production Engineering*, 33(5), 308–320. [Online] <https://www.tandfonline.com/doi/full/10.1080/21681015.2016.1172124#d1e263> [Accessed on 15.10.2024].

Coombs (2010) and Jacques (2007), which have been extensively discussed and applied in practice in Western Europe and the USA. There is a common understanding among researchers of the nature of crisis phenomena as a process, their life cycle, and the need for preparation and prevention. In the Bulgarian literature, significant contributions to the study of crisis management have been made by authors such as Panayotov (1995), Johnev (2004), Marinov (2004), Emilova (2012), Zafirova (2014), and others.

In Bulgaria, studies on the sorting and trading of second-hand textiles are still in their initial stages. There are scientific studies and theories about crisis management in the context of sustainable development and the circular economy. Still, their application in the second-hand textile sector is poorly researched and specific. The organizations in the studied sector are still developing a systematic, integrated approach to crisis management. Most of them do not possess well-structured crisis and communication plans and strategies, focusing mainly on operational issues rather than strategic risk and crisis management, leaving the sector vulnerable to external threats such as reputational and economic crises, legislative changes, and global environmental challenges. Additionally, there is a lack of interest from the government and other state bodies involved in sustainability and circular economy issues in publishing detailed studies or official reports specifically addressing the characteristics of the sector for sorting and trading of second-hand textiles.

Despite the numerous theoretical models and strategies for crisis management, their application in the specific Bulgarian context, and particularly in the second-hand textile sector, has not been sufficiently explored. To enhance the effectiveness of crisis management, it is necessary to conduct more in-depth empirical research and develop specialized approaches and strategies for this sector.

### **1.3. Aim and objectives of the dissertation**

The dissertation aims to analyze crises and their management in companies that sort, and trade second-hand textiles in Bulgaria, with emphasis on the importance of the anti-crisis plan, as well as the communication plan as its essential element for the prevention and effective management of crises. The study will examine the sector's preparedness for dealing with potential crises in three directions:

- whether they have a developed, implemented, and regularly maintained anti-crisis plan and the comprised elements, including a communication plan;
- whether they apply specific crisis management models;

- what are the main reasons that hinder them in the development, implementation, and maintenance of such plans and models.

To achieve the stated aim, the following research objectives have been formulated:

- to reveal the characteristics of crises and established understandings in the scientific literature for their effective management<sup>2</sup>;
- to analyze existing crisis management models and to examine the need to develop, implement, and maintain an anti-crisis plan and its components, including a communication plan;
- to study and assess the state of the sector for sorting and trading second-hand textiles in Bulgaria in terms of its readiness for prevention and dealing with potential crises;
- to compare the preparedness of organizations in the studied sector for prevention and dealing with potential crises with global trends;
- to identify the main reasons that hinder organizations in the sorting and selling sector of second-hand textiles in Bulgaria from successfully developing and maintaining an anti-crisis plan, including a communication plan;
- to derive guidelines for achieving effective crisis management in organizations for sorting and trading second-hand textiles in Bulgaria, and to propose a conceptual framework for the development and maintenance of an anti-crisis plan and the communication plan as its main element.

#### **1.4. Subject and object of the research**

*The subject* of the research in the dissertation is the development and maintenance of an anti-crisis plan, including a crisis communication plan, as fundamental tools for effective crisis management in organizations.

*The object* of the study is the organizations in the sector of sorting and trading second-hand textiles in Bulgaria. These companies are characterized by a dynamic environment, dependence on international market conditions, and a high degree of operational risks related to logistics, regulations, and environmental standards.

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<sup>2</sup> For the purposes of the dissertation, as "effective crisis management" will be understood the ability of an organization to respond in a timely, coordinated and targeted manner before, during and after a crisis, so that, based on the available resources, the response plan and the actions taken, it can prevent potential crises, minimize the negative consequences of crises that have occurred, maintain the trust of stakeholders and restore normal functioning as soon as possible. More generally, we can consider crisis management effective if the short- and long-term impacts of crises outweigh the failures in dealing with them.

### **1.5. Main thesis and research hypotheses**

*The main research thesis* of the dissertation is that the anti-crisis plan, including a crisis communications plan as an element thereof, is a basic toolkit for preventing and achieving a successful outcome in an emerging crisis. Companies in the second-hand textile sorting and trading sector face several challenges arising from the specific nature of the goods they offer, which are closely linked to the changing legislative framework and the unstable environment in which they operate and develop. Crises arising from supply uncertainty, varying product quality, changing consumer preferences, globalization, and sector regulations adversely affect companies' business operations and financial results. In this regard, the development, implementation, and maintenance of an anti-crisis plan, including a crisis communications plan, supports the organizations included in the object of research in successfully preventing and managing each crisis.

#### ***Research hypotheses:***

- *Hypothesis 1:* Overcoming the factors that hinder successful crisis management in the second-hand textile sector in Bulgaria depends on the extent to which management perceives crisis management as a strategic priority.
- *Hypothesis 2:* The presence of an implemented, regularly updated, and tested anti-crisis plan, including a crisis communication plan, enhances the ability of organizations in the Bulgarian second-hand textile sector to deal with potential crises effectively.
- *Hypothesis 3:* There is a direct relationship between the communication preparedness of organizations for crisis prevention and response and the existence of a developed and utilized crisis management model.

### **1.6. Research approach and methods**

For the purposes of the study, historical, system-differentiating, system-integrating, and strategic approaches are used.

To achieve the aim and research objectives of the dissertation, traditional scientific research methods are applied, including theoretical analysis and synthesis, comparative analysis,

qualitative analysis, and methods and techniques of strategic analysis . An empirical study was conducted among companies operating in the sector.

### **1.7. Research limitations**

The research in the dissertation is limited to the anti-crisis plan with particular focus on crisis communications, which also requires advance planning. The anti-crisis plan is a set of tools for preventing and managing potential crises in any organization, with crisis communication as a critically important element.

The dissertation will propose a conceptual framework for developing anti-crisis plan, including a communication plan, applicable to the object of research. The conceptual framework will include all mandatory elements derived from the scientific literature review. Without claiming to be exhaustive, it will provide a foundation upon which both individual organizations in the studied sector and other companies with a similar scale of operations and business processes can build and adapt the included elements.

The development of an anti-crisis plan, in essence, involves preliminary research and analytical work in support of strategic decision-making before the crisis unfolds, as well as during the period of coping and recovery. It outlines clear, measurable, and applicable steps that should be taken at the various stages of crisis development. The communication plan, as an element of the anti-crisis plan, is a key component of the concept of preventing and managing any crises, serving both as a tool for effective crisis management and as a factor that may cause or deepen an ongoing crisis.

## **II. STRUCTURE AND CONTENT OF THE DISSERTATION**

### **2.1. Structure of the dissertation**

The dissertation has a total volume of 204 pages. It contains an introduction, three chapters, and a conclusion, amounting to 184 pages, 12 pages of references, and 6 pages of appendices. The dissertation includes 31 figures, 12 tables and 1 appendix.

### **2.2. Content of the dissertation**

## **INTRODUCTION**

## **Chapter one THEORETICAL AND METHODOLOGICAL ASPECTS OF CRISIS MANAGEMENT**

- 1.1. Essence, characteristics, and typology of crisis phenomena
- 1.2. Crisis management process in organizations
- 1.3. Crisis management models
- 1.4. Anti-crisis plan and stakeholder communication
- 1.5. Aspects of researching and developing a conceptual framework for crisis management

## **Chapter two ANALYSIS OF THE SECTOR OF ORGANIZATIONS FOR SORTING AND TRADING SECOND-HAND TEXTILES IN BULGARIA**

2.1. Characteristics of the sector of organizations engaged in sorting and trading second-hand textiles in Bulgaria.

- 2.1.1. Specific characteristics of the sector.*
- 2.1.2. Resource capacity, legal framework, and strategic priorities.*
- 2.1.3. Sector vulnerability and potential crises.*

2.2. Empirical research of the sector of organizations for sorting and trading second-hand textiles in Bulgaria.

- 2.2.1. Scope, aim, and objectives of empirical research.*
- 2.2.2. Information sources and research methodology.*
- 2.2.3. Structure and content of the questionnaire.*

2.3. Approbation of research hypotheses.

## **Chapter three GUIDELINES FOR ACHIEVING EFFECTIVE CRISIS MANAGEMENT IN ORGANIZATIONS FOR SORTING AND TRADING SECOND-HAND TEXTILES IN BULGARIA**

3.1. Guidelines for improving crisis management in organizations for sorting and trading second-hand textiles in Bulgaria.

3.2. Conceptual framework for developing an anti-crisis plan.

### **CONCLUSION**

### **REFERENCES**

**APPENDIX** – Questionnaire in connection with empirical research for the dissertation on “Crisis management in organizations for sorting and trading second-hand textiles”.

## **III. SUMMARY OF THE DISSERTATION**

### **3.1. Introduction**

The Introduction argues for the relevance of the dissertation topic and the importance of crisis management, considering the specific challenges modern organizations face. A research

thesis and three related hypotheses are defined. The object and the subject of scientific research are presented. On this basis, the aim of the dissertation and the tasks for achieving it have been formulated. The research approaches and methods, the data sources used for analysis, as well as the limitations of the study, are also presented

### **3.2. Chapter One. Theoretical and methodological aspects of crisis management.**

In *Paragraph 1, the Essence, characteristics, and typology of crisis phenomena* are examined from various perspectives, including their nature, classification, and other characteristics. The understanding of crises is justified as a process with clearly distinguishable phases of development that can be managed to achieve a successful outcome. A review of well-known crisis management models and the authors' interpretations of the phases of their development has been conducted.

The etymology of the term "crisis" has been studied, and it has a relatively broad meaning in the everyday lives of people and organizations, due to the subjective feelings of those affected by the urgency, criticality, and threat of the situation, and anxiety. In sources such as the Explanatory Dictionary of the Bulgarian Language, Merriam-Webster, Cambridge English Dictionary, Britannica Dictionary, Biannual scientific review and Online Etymology Dictionary dominate the meaning of a difficult or dangerous situation that requires serious attention and a turning point for a sharp change, usually for the worse, in the state, development of something, which has decisive, essential consequences. It is considered the perspective of the crisis as an opportunity for change that goes beyond understanding the outcome and emphasizes a possible change that would expand and increase an organization's activity.

It is concluded that several researchers highlight the significance of the concept of "crisis" by generally affecting six aspects included in the definitions partially and in various combinations – an unexpected, new or unprecedented situation, caused by a change in the environment that has a substantial negative impact or posing a serious threat, limited response time, high degree of uncertainty about the causes, consequences and means of resolution and a phenomenon with dual character. Special attention is also paid to Fink's understanding, which focuses on risk; thus, any crisis can be linked to ignored or unidentified risks that may lead to its occurrence or deepen it, which is an important starting point for prevention and preparation to cope with crisis phenomena.

It is also concluded that some authors attempt to provide a comprehensive definition of the concept of "crisis." For instance, R. Marinov defines the crisis as a spiritual, human,

technological, and natural phenomenon, in which there is a collapse of a system's adaptive capacities, with two possible outcomes: the death of the system or a successful response leading to the emergence of a new structure with a modified behavioral model. On the other hand, Pearson and Clair integrate crises through the psychological, socio-political, and techno-structural aspects of the concept.

The dissertation's research results are summarized as a generally valid perception of the *crisis* as a new, unexpected, or difficult-to-foresee situation threatening the organization's existence, requiring *an immediate response to resolve and limit its negative impact*. In addition, crises have a *dual nature*: they can lead to the termination of the organization's existence or to a positive exit, resulting in sudden or developing change.

Given that there are several definitions, such as incident, crisis, catastrophe, disaster, and emergency, which have close but essentially different meanings, the summary is that each could bring the most severe consequences to any organization.

Attention is paid to the classification of crises, with the study's results showing a large number of proposals from researchers and practitioners for typologizing crises based on different criteria. The dissertation examines the typologies of Mitroff, Srivastava, and Udwadia; Bazarov; Zafirova; Gundel; Bjork; Brammer; Myer, James, and Moulton; James and Greiner. Based on the authors' considerations, several conclusions have been drawn: (1) the variety of classifications of crises in science and practice is enormous due to their complexity and numerous characteristics and forms; (2) the classification of crises is extremely important for making correct management decisions; (3) determining the characteristics and forms of manifestation of crises are fundamental steps in the typology, which can be made based on one, two, four or more dimensions; (4) the interdisciplinary approach is exceptional effective nowadays, when organizations operate in an environment of globalization and complex processes and interconnections.

In *paragraph 2, the Crisis management process in organizations* makes a review of scientific understandings of the terms "crisis management" and "management of crises", which, for the purposes of the dissertation, are accepted as synonyms. In summary, different sources present definitions of crisis management with the following aspects: (1) skill/ability to identify potential threatening impacts; (2) planning subsequent actions to mitigate and eliminate risks and making decisions; (3) process for dealing with unusually difficult or dangerous situation; (4) ensuring continuity of processes; (5) recovery, training and analysis, in order to everything ensures future readiness.

Additionally, a summary by V. Vashichkova is presented, defining crisis management as “a process with interconnected steps and procedures that lead to the early forecasting of a potential crisis, identification of the nature of the crisis situation, timely and successful resolution, and, last but not least, support for crisis prevention”.<sup>3</sup> In the analysis, the author highlights the characteristics of crisis management, which are presented in the discussion.

To understand *the crisis as a process*, the study refers to the cause-and-effect chain "*causes - symptoms - factors - course of the crisis*" (*stages*) – *consequences*" by Ts. Zafirova. It is specified that in scientific research, different variants of this chain or its individual elements are encountered. In some cases, some of the units are combined or presented in more detail, but the understanding of crisis management is similar. The analysis examines the individual elements of this chain and the understandings of different authors of every component.

It is concluded that the actual crisis stage begins after a triggering event. This is the moment when the organization first notices the signs of an unfolding crisis. Also known as the sharp phase, this is the point from which there is no turning back, and it is impossible to prevent the crisis. At this point, the focus should be on risk assessment and a rapid mitigation response to the event's impact.

The study presents the views of Fink, Gozalez-Herrero and Pratt, and Bogdanov about the development process of crisis phenomena, in connection with which it is summarized that a significant part of the authors' views on the stages of crises are based on the concept of the life cycle, which is at the heart of many crisis management models. At the end of the paragraph, the conclusion is made that crises are a process that goes through different stages of development and intensity. The critical aspect of crisis phenomena that should attract the attention of each organization's management is identifying symptoms and managing the diversity of factors that influence the unfolding crisis process, thereby reducing negative consequences for organizations.

In *Paragraph 3 Crisis Management Models*, the crisis management models of Petak (1985), Mitroff, Pearson and Harrington (1986), Fink (1986), Mitroff, Srivastava, and Udwardia (1987), Jacques (2007), Pearson, and Clair (2007), Chong (2008), Coombs (2010), and Dimitrov (2012) are discussed in detail. It is concluded that there is a common understanding of the three clearly distinguishable stages of crisis development and the need for preparation and prevention.

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<sup>3</sup> Vašíčková, V. (2019) Crisis management process: A literature review and a conceptual integration. [Online] <https://aop.vse.cz/pdfs/aop/2019/03/05.pdf> [Accessed on 05.02.2023]. p. 64

The comparative analysis shows that all the considered models emphasize prevention, with differences in how detailed the steps are divided into sub-stages (see Table 1).

Table 1

Comparative analysis of better-known crisis management models<sup>4</sup>

Model \ Stage	Pre-crisis	Crisis	Post-crisis
Petak (1985)	Mitigation of the crisis Preparation	Crisis response	Recovery
Mitroff, Pearson and Harrington (1986)	Signal detection Prevention/preparation/ research	Limiting the damages	Recovery Trainings
Fink (1986)	Podromal	Acute stage Chronic stage	Stage of resolution
Mitroff, Srivastava, and Udwadia (1987)	Discovery	Crisis	Recovery Assessment
T. Jaques (2007)	Planning Systems and manuals Training and simulations Early warning and scan Management of problems and risks Emergency response	Crisis recognition Systems and response Crisis management	Recovery, business recovery Impact of the crisis after its resolution Assessment and modification
Pearson, and Clair (2007)	Management's risk perception Implementation of preparation measures	Planned and unplanned response	
J. Chong (Janson et al., 2008)	Sensing signals Early intervention Risk assessment Taking action	Crisis management Preparing for impact Coping with the problem Damage limitation	Organizational change Rethinking Preparation Reducing reoccurrence
Coombs et al. (2010)	Identifying signals Prevention and preparation Developing a plan Crisis management team	Recognizing the triggering event Initial response Repairing the reputation	Providing information to stakeholders Collaboration Learning lessons

<sup>4</sup> The table is developed by the author.

M. Dimitrov (2012)	Team formation Risk analysis Development of potential scenarios, strategies and plans Training and maintenance of response teams Preventive measures to eliminate vulnerabilities	Activation of information exchange channels Activation of the crisis team Activation of the crisis management plan	Rehabilitation Reconstruction
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An essential component of effective crisis management, as emphasized in the study, is selecting an appropriate strategy, defined as the harmonization of internal strengths and weaknesses with external opportunities and threats. Such alignment enhances the organization’s capacity to achieve its objectives and, within the context of crisis management, to undertake measures that mitigate or prevent crises whenever possible, as well as to facilitate the organization’s rapid and full recovery.

The main characteristics of the three phases of crisis phenomena have been derived - pre-crisis, actual phase, and post-crisis period, and applicable strategies for each stage have been identified. It was concluded that the choice of the most effective approach involves management with a vision for the future that considers exclusively the organization's specifics, business processes, and the macro-environment, and effectively manages different types of risks, relying on sound planning and prevention.

The study noted that even if they are not prepared for crisis phenomena, organizations are not helpless, because, according to J. Chong, it is not possible to prepare for all types of crises. Chong suggests a six-step approach, applicable in situations of unpreparedness, emphasizing the necessity of an anti-crisis plan that needs to be continuously developed<sup>5</sup>.

In summary, it is stated that crisis management is a process that includes *three stages – pre-crisis, acute phase manifestation and response, and post-crisis stage*, each of which is characterized by its peculiarities.

It is emphasized that the crisis management model is primarily a foundation that can be strengthened and upgraded, as well as a framework for measures and actions that save time, efforts, and resources in emergencies. In this sense, organizations can adopt a ready-made model

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<sup>5</sup> Chong, J.K. (2004) Six steps to better crisis management. Journal of Business Strategy, 25, 43-46. [Online] <https://www.scribd.com/document/381801179/Chong-2004-Six-Steps-to-Better-Crisis-Mgmt> [Accessed on 23.02.2024].

to meet their needs or develop their own, which will, to the maximum extent, guarantee their preparedness, fast response, damage minimization, and successful outcome in the crisis.

In *paragraph 4, Anti-crisis plan and stakeholder communication*, attention focuses on the key characteristics of the pre-crisis stage for prevention and response planning in the event of potential crises. According to most of the reviewed crisis management models, this step involves preparing an anti-crisis plan, forming a crisis team, and assessing available resources, training needs, etc. The communication plan is a crucial component of the anti-crisis plan and clarifies the importance of communication in maintaining the organization's internal and external reputation. According to Baltes and Birsan, the plan is not a step-by-step "how to" in its essence. It should systematically address the roles, responsibilities, and resources required to provide information to the public, media, and partners during an emergency.

As a result of the analysis of the scientific literature, the elements, defined as a mandatory minimum of the crisis communications plan have been summarized: (1) objective of crisis communication; (2) crisis notification and monitoring system, (3) implementation of the plan and crisis communication team; (4) informing and key messages; (5) target groups of crisis communication; (5) communication channels; (6) time and frequency of crisis communication; (7) barriers and (8) performance evaluation, improvements, and error reporting. Each of these elements is examined in detail, summarizing the authors' views in the relevant field.

The Theory of Situational Crisis Communication (TSCC) is reviewed as a strategic-level model for understanding crisis communication, grounded on the responsibility for causing the crisis and the significance of threats to the organization's reputation. Four communication strategies of the Theory of Situational Crisis Communication are examined – *the strategy of recovery/adaptation, reduction strategy, denial strategy and the reinforcement strategy*, two complementary strategies by Coombs – *reminder and inclusion*, as well as communication strategies such as „*Stealing thunder*”<sup>6</sup>, „*Thunder*“, *simple refutation, factual clarification* and four forms of corrective communication strategy – *simple rebuttal with employee backup, simple rebuttal without employee backup, factual elaboration with employee backup, and factual elaboration without employee backup.*<sup>7</sup> The conclusion is drawn that selected

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<sup>6</sup> “Stealing thunder” is a communication strategy in which all negative information and facts that could be used against an organization are disclosed proactively, before they are revealed to the public by other interested parties.

<sup>7</sup> Jin, Y., Meer, T., Lee, Y., Lu X. (2020) The effects of corrective communication and employee backup on the effectiveness of fighting crisis misinformation. [Online] <https://instituteforpr.org/the-effects-of-corrective-communication-and-employee-backup-on-the-effectiveness-of-fighting-crisis-misinformation/> [Accessed on 18.06.2023].

information, including facts and support from an employee, when provided by a first-hand spokesperson, can increase the effectiveness of corrective communication strategies.

The study emphasizes recognizing employees as a key stakeholder, defining them as one of the first, yet essential, steps to overcome crises successfully. Employees can serve as communication allies, not only reinforcing the main messages internally but also carrying them into the community. Therefore, depending on the specifics of the crisis or change, the management should determine the most appropriate way to communicate with employees. In this regard, the dissertation examines several different strategies for internal communication.

It is concluded that organizations can use a single strategy or a combination of strategies for communicating with employees, with the differences lying in the extent to which employees receive the necessary information and guidance regarding the change and feel included in the change process. Special attention is given to the feedback and constructive dialogue.

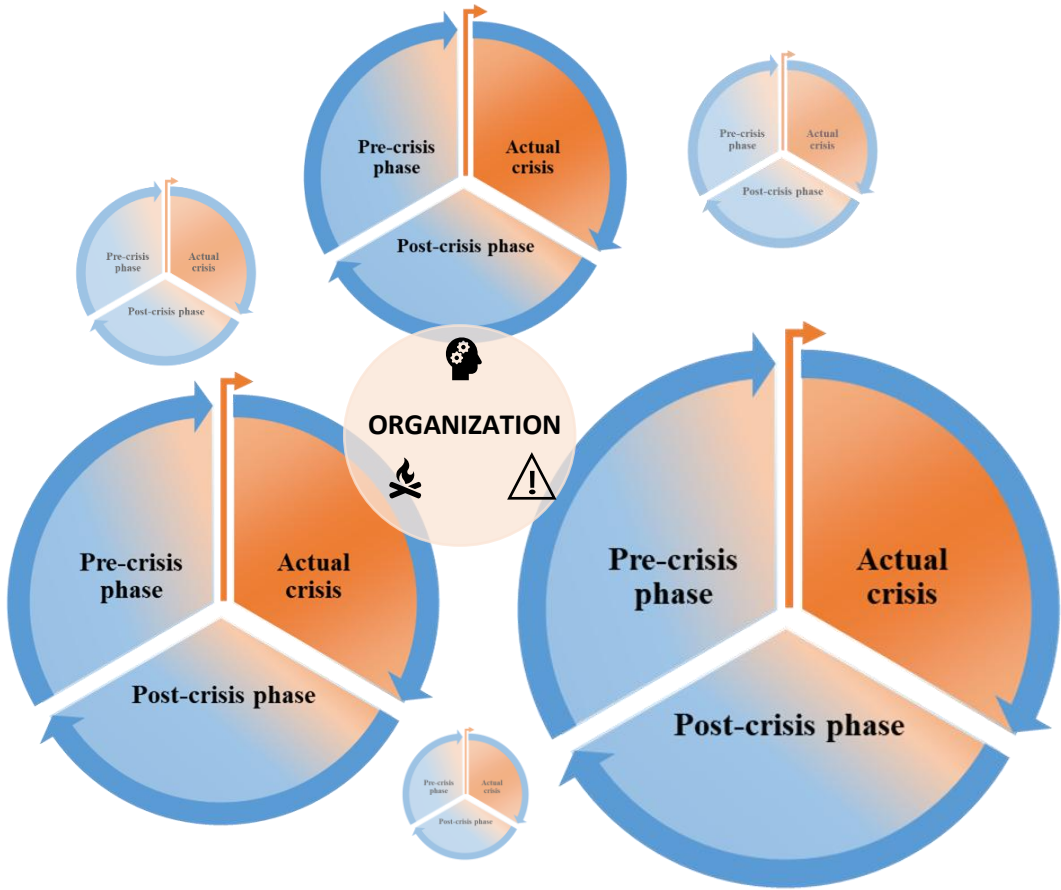
Crisis communication is a significant element of the prevention and management of any crisis. What is required of any organization is to react quickly, shorten response time, be where the action takes place, exercise control over information, and work to reduce social tension during the crisis. Last but not least, it is necessary to demonstrate openness and accuracy, to assure stakeholders that the management has nothing to hide and is ready to answer any questions and provide accurate information at any time.

The plan helps analyze and identify the most common errors in crisis communication by adopting the included rules and procedures for internal communication, thereby avoiding or significantly reducing their negative consequences. The most common mistakes are the silence of the organization and its absence in public space, hesitation and/or lack of communication, which would be perceived as unprofessional behavior and weak leadership.

*In Paragraph 5 Aspects of researching and developing a conceptual framework for crisis management*, a conceptual crisis management framework is presented.

The complexity of the crisis environment and the organization's position within it, in relation to the emergence of crisis phenomena of varying nature and intensity, are presented in Fig. 1. It is concluded that, given the cyclical nature of crises and their three main phases, management may simultaneously face a situation of preparation, of responding to an unfolding crisis, or a period of dropping and recovery of the damage of an already passing one. This requires directing all efforts and resources towards addressing the unfolding crisis and managing the crisis in its acute phase (🔪). The impending crisis requires special attention and preparation, while the management is expected to do everything possible to limit its impact and the extent of

damage (⚠️). Although it has passed, the crisis in the third stage requires an analysis of the results from coping, updating the anti-crisis plan, and implementing organizational changes, which would ensure its avoidance or significant reduction of the impact of the next triggering event (🧠).



*Fig1. Interaction of the organization with the crisis environment<sup>8</sup>*

The extent of impact and scope, as well as the timing of each crisis occurrence, are different. It is the management's responsibility to determine the extent and priority of the crises that have arisen and to begin managing them accordingly.

The selection and implementation of a crisis management model reflect the organization's structured understanding of crisis phenomena and aim to achieve a timely and effective response to prevent and manage them. The presented conceptual framework is based

<sup>8</sup> The figure is developed by the author.

on the cyclic nature of the crises, passing through three main stages that could be divided even more in detail into sub-stages (see Fig. 2):

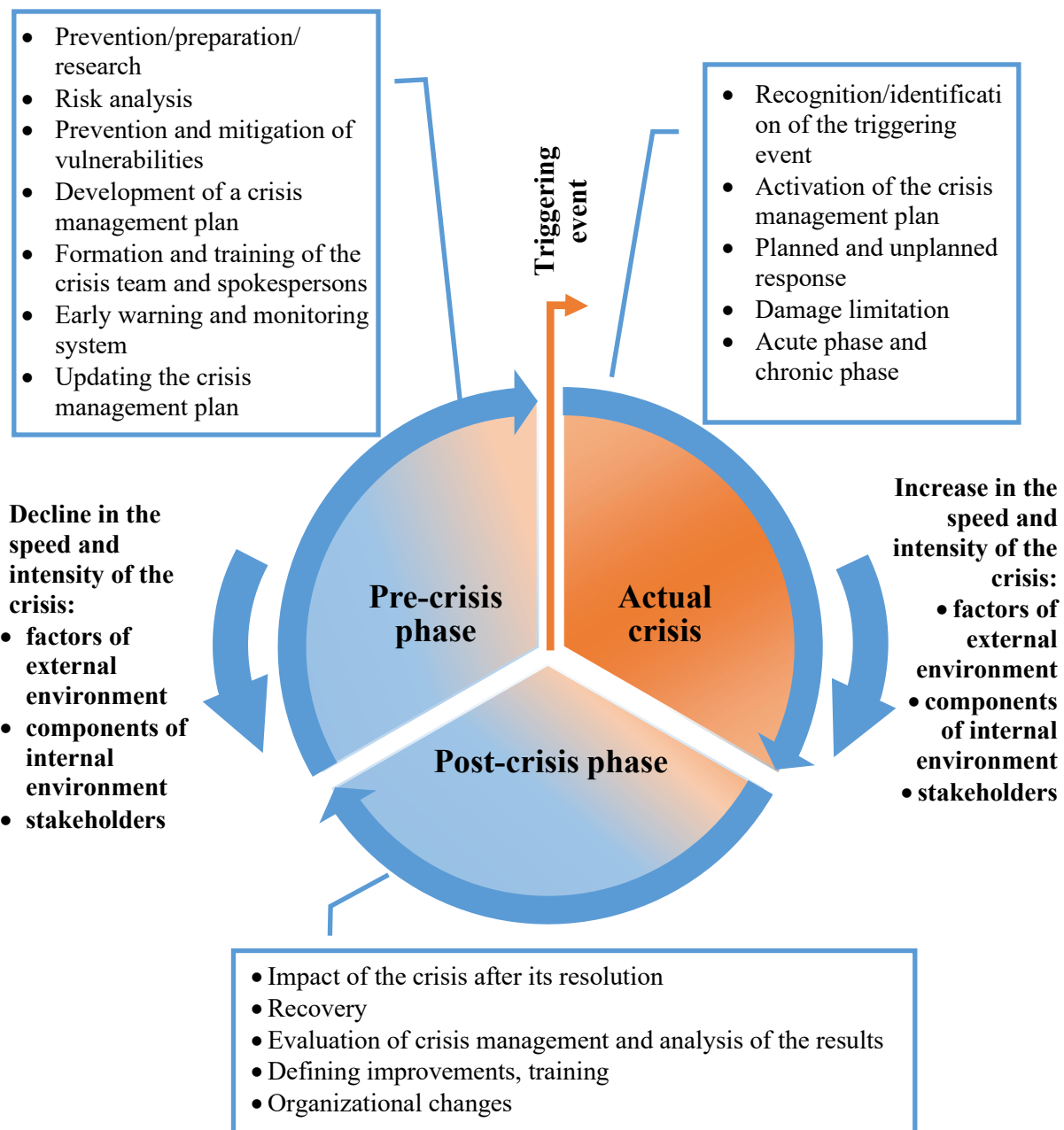


Fig. 2. Conceptual framework for crisis management<sup>9</sup>

It has been clarified that the initial pre-crisis phase focuses on prevention and preparation. Prevention includes studying and mitigating risks and vulnerabilities by identifying them and reducing their potential to trigger crises, which is part of the organization's risk

<sup>9</sup> The figure is developed by the author.

management program. The next stage of preparation and creation of an anti-crisis plan also includes anticipation of communication needs, communication plan, selection and crisis team training, identification and training of spokespersons; creation of early warning and monitoring systems; identification of the most important stakeholders; as well as regular testing of the plan and the crises management team, which to lead to its regular update.

As a result of the analysis, it is concluded that crisis phenomena arise from a triggering event that is likely to occur before the unfolding of the actual crisis in the pre-crisis stage, and that the rapid development of the crisis immediately follows their emergence. This is determined by whether it can be clearly identified or is likely to remain invisible due to limited access to information about its existence. In the Conceptual framework for crisis management, the triggering event is conditionally designated as occurring between the pre-crisis stage and the period of the actual crisis, indicating that it precedes the crisis.

The unfolding of the actual crisis is the second stage, in which, very often, in the absence of preparation and prevention or limited access to information, the organization should identify the crisis phenomenon and/or recognize the triggering event. At this point, management should activate the crisis management plan and respond with appropriate actions and measures to the developing crisis in an emergency/urgent situation. The response can be divided into two sub-stages - an initial crisis response, which requires speed, accuracy, and consistency in actions, and reputation recovery. Depending on the specifics of the crisis, it can become chronic, significantly prolonging the exit or making it impossible.

The post-crisis phase is a stage of recovery during which management should fulfil the commitments made during the crisis. At this stage, it is necessary to evaluate the management of the resolved crisis and to prepare for future crises by updating the anti-crisis plan, providing additional training, and identifying areas for improvement. Efforts to enhance should focus on identifying weaknesses and preventing recurrence by implementing appropriate organizational measures before the next triggering event.

The external and internal environments of the organization have a significant impact on the outcome of crisis management. In this sense, the presented conceptual framework for crisis management takes into account their influence in two directions - on the one hand, external environmental factors and internal causes can accelerate the development of the crisis, to increase its impact and the scope of its consequences, and on the other hand - to slow down or reduce the effects of crises, as well as and to reduce the scope of their impact.

In reality, organizations have limited human, financial, and other resources and are unable to prepare for all types of crises to the same degree. It is necessary to prioritize crisis phenomena to optimize their management and improve its effectiveness. In this regard, a matrix for categorizing crises is proposed, as it is relatively easy to apply, consistent, and straightforward for classification method during the preparatory phase and for determining next steps to overcome them. Considering the degree of impact of crisis phenomena and the organization's preparedness to cope, the method is beneficial both for analyzing hypotheses about potential crises and for positioning the organization in the crisis environment relative to the specific crisis phenomenon (see Fig. 3).

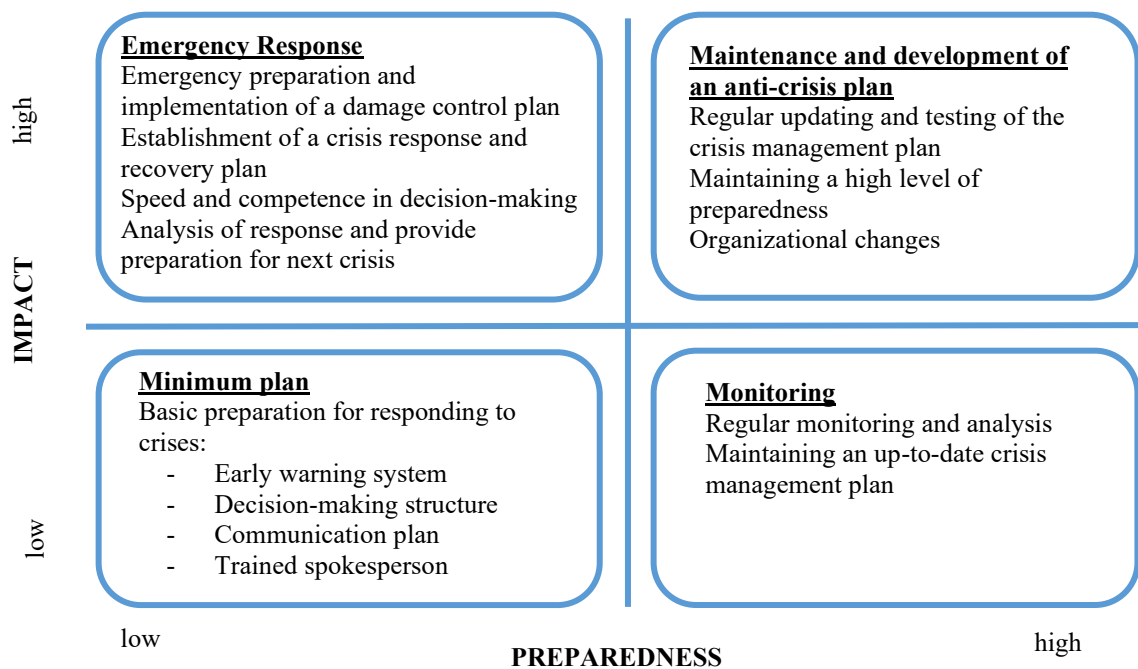


Fig 3. Matrix for segmentation of the crises and applicable steps for crisis management<sup>10</sup>

When categorizing crises, there are four different combinations of the values of the two factors - impact and preparedness, which outline four segments with applicable management and exit approaches accordingly.

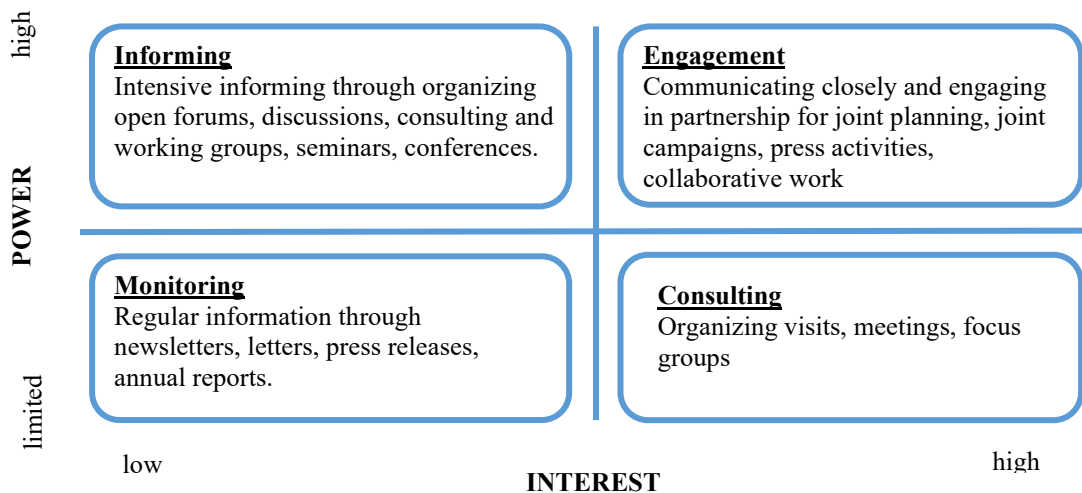
As another essential element of the crisis environment, the study identifies stakeholders who owe and seek to realize their own interests, not always aligned with the organization's strategic goals, and who have varying degrees of influence on its activities. In the dissertation, they are considered allies to help the organization prevent and successfully cope with the crisis,

<sup>10</sup> The figure is developed by the author.

but they can also deepen the crisis and increase its damage. This is illustrated in the presented Conceptual Framework for Crisis Management (see Fig. 3), which introduces them, together with environmental factors, as elements that either deter or strengthen the crisis's intensity.

An important conclusion has been reached: the organization's interactions with its internal and external stakeholders are crucial for preventing, managing, and achieving a successful outcome in any crisis. The differences in their characteristics, such as degree of influence, interests, and positioning within and outside organizations, require targeted and appropriate communication to manage this interaction, which is just as important a tool as the chosen prevention and coping strategy.

In this regard, a matrix for categorizing stakeholders is presented based on two dimensions – power/interest, which is an easy-to-implement approach in communication with different target groups. It identifies and categorizes stakeholders consistently and clearly, based on their authority, the potential power they possess to influence the organization, and the degree of their interest in the information exchanged through communication and the results of any subsequent actions. Once categorized, stakeholders can be included in the communication process, with the appropriate approach for selecting the communication type and channel (see Fig. 4).



*Fig. 4. Matrix for stakeholders' management<sup>11</sup>*

<sup>11</sup> The figure is developed by the author.

The analysis of the Saliency model of Mitchell et al. shows that the authors consider stakeholders and their segmentation as a dynamic dimension; once categorized, they can be included in the communication process through the choice of communication type and the corresponding channel. The dynamics in their characteristics require stakeholders 'classification and regular review of the communication strategy, upon a triggering event, necessarily, after which the anti-crisis plan can be put into action. Dangerous, dependent, dominant, and, most of all, hard stakeholders are defined as a priority group whose demands and actions can have serious consequences, especially when the organization is at its weakest position.

The developed conceptual framework for crisis management, together with the organization's positioning in the crisis environment, the segmentation matrices for crisis phenomena, and stakeholder management, considers the main principles of the scientific literature, namely the life cycle and the development stages of crisis phenomena. The conceptual framework is based on an understanding of the crisis's cyclicity, the environmental factors that can influence the strength of its impact, and the scope of its consequences for the organization. In addition, building an early warning system, a decision-making structure, developing a basis for a communication plan, training a spokesperson, and creating a team of professionals capable of analyzing and providing quick, competent solutions are key tools for basic training in prevention and coping with all types of crises. At the end of the first chapter, the summary states that, given the complex environment in which modern organizations operate and the limited resources they have, it is challenging to build a comprehensive, universal system for preparation and prevention. The known models in scientific literature may be complex to apply for various reasons. The study concludes that models provide a framework, but not a universal tool for successful crisis management. The management of every organization has the strategic task of selecting and adapting the most effective model possible, considering the organization's structure, environment, and activities.

### **3.3. Chapter Two. Analysis of the sector of organizations for sorting and trading second-hand textiles in Bulgaria.**

In the second chapter of the dissertation, the sector of organizations that sort and trade second-hand textiles in Bulgaria is presented through its specific characteristics, resource availability, legal framework, strategic priorities, and vulnerability to potential crises. This chapter includes empirical research and approbation of research hypotheses.

In *paragraph 1 Specifics of the Sector of Organizations engaged with sorting and trading of second-hand textiles in Bulgaria*, the scope of activities of the studied sector is clarified, namely: *activities related to the separate collection and recovery of waste from textile products, their preparation for reuse and their market sale*. Textile waste includes "used clothing, including shoes, as well as blankets, carpets, bedspreads, curtains, drapes, tablecloths, bed linen and towels that are suitable for further use and which after further processing can be used for the purpose for which they were created". It is specified that for the purposes of the dissertation, all these products will be collectively referred to as "*second-hand textiles*". A necessary clarification is that the priority objective of the sector's activity is, in addition to market realization in maximum volume and value of the produced products, also minimizing the actual waste sent to landfill and for incineration<sup>12</sup>, which corresponds to the second priority in the EU Waste Hierarchy for reuse after prevention, followed by recycling, utilization and disposal.

In Bulgaria, nine companies simultaneously sort and trade second-hand textiles, sell finished products on both local and international markets. Seven of them are members of the largest organization of companies engaged in sorting and trading second-hand textiles - the Bulgarian Association Circular Textile (BACT). Statistics for the period 2019-2021 on the quantities of collected and sorted textile waste and the percentages of textiles redirected for reuse, recycling, energy recovery, and landfilling are presented.

In support of the analysis of the sector's importance, the dissertation refers to Oxford Economics' 2023 Report on the industry's significant socio-economic impact in Africa and the EU. Based on other research, Bulgarian consumers' attitudes towards used goods are examined in relation to lower prices, eco-consciousness, and sustainable consumption trends. This ensures a stable demand for second-hand textiles and a sustainable environment for the development of organizations in the sector. Another significant trend in consumer behavior that has received attention is the growing influence of Generation Z, as well as the key success factors for consumer experience.

To identify the sector's main characteristics, an analysis of its resource security, legal framework, and strategic priorities was conducted. As part of the sector's resource security, the

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<sup>12</sup> Incineration is a method of waste disposal that involves the combustion of waste. It may refer to incineration on land or at sea. Incineration with energy recovery refers to incineration processes where the energy created in the combustion process is harnessed for re-use, for example for power generation. Incineration without energy recovery means the heat generated by combustion is dissipated in the environment. Source: Eurostat [Online] <https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Incineration> [Accessed on 01.12.2024].

necessary tangible and intangible resources are considered to ensure the effective and sustainable management of business activities. The conclusion is that the availability of resources for organizations that sort and trade second-hand textiles involves complex coordination of materials, human resources, financial investments, and technological solutions. All these elements should be appropriately combined and balanced to achieve efficiency, sustainability, and market competitiveness.

The dissertation examines the main regulatory acts on waste management at the national and EU levels, their relevance to the sector under study, and the resulting limitations. Particular attention is paid to the legal framework governing all types of waste activities, given their strict regulation. It has been concluded that in other European countries, most of the considered restrictions are absent, posing a challenge for the sorting process, which should produce analogous products for local and foreign markets. In addition, practices across member states vary regarding of cleaning, washing, and disinfection requirements, such as in Bulgaria, which is among the most restrictive. At the same time, the legal norms contain concepts that can be interpreted subjectively without creating additional regulations, rules, and interpretations that make it difficult for organizations in the sector to balance between implementing strategic goals to reduce total textile waste and regulatory compliance, given the huge amounts of second-hand textiles sorted and realized on the local and international market.

Regarding labor legislation, in the context of the researched sector, the study highlights the minimum requirements for healthy and safe working conditions when performing manual handling of loads, exposure to dust, lighting, and the use of biocides and other disinfectants that may be harmful to employees' health, and that are important to comply with and create certain limitations for the activity. Other regulatory challenges analyzed include the Corporate Sustainability Reporting Directive and the Network and Information Security Directive (NIS).

The study identifies the crucial importance of the interconnection between regulatory compliance in the sector and the achievement of sustainable operations and a positive reputation, both in terms of competitive advantage and in relations with other stakeholders — employees, business partners, government supervisory authorities and institutions, investors, and the media.

The strategic priorities of the sorting and trading of second-hand textiles sector in Bulgaria have been identified, along with several risks originating from both external and internal environments that, if not appropriately managed, can lead to severe crises or, in the worst-case scenario, bankruptcy. Through analysis of the internal and external environments, strengths and weaknesses have been identified, as well as the opportunities and threats in the

environment in which organizations in the studied sector operate, and the potential crises associated with them. It is concluded that the characteristics of the organizations' business models in the industry can, in themselves, cause or deepen potential crises. Other analyzed risks relate to the labor-intensive manual process and the benefits of introducing a product fee on new textiles and of forming funds to subsidize activities related to separate collection, sorting, recycling, etc. of second-hand textiles, for example, as in France and the Netherlands.

It has been clarified that, due to its import- and export-dependent nature, organizations in the studied sector are vulnerable to global political and economic changes and supply chain disruptions. Other identified risks of potential crises include regulatory requirements and normative changes; technological changes; environmental, social, labor, and ethical issues; competitive pressure; and loss of competitive advantage due to insufficient consumer awareness, excessive competition, unfair practices, and excessive specialization. In accordance with the results of the analysis, the study concludes that the effective crisis management in this sector requires solid methodological preparation related to understanding the crisis as a process, choosing or developing own crisis management model, developing and maintaining a plan for dealing with potential crises, and the need for more flexible operational strategies.

***In Paragraph 2, the Empirical study of the sector of organizations that sort and trade second-hand textiles in Bulgaria*** represents the scope of the research, which includes nine companies with local and foreign ownership and a long-standing presence on the market. The analysis shows that more than half of the representatives of the studied sector began their activities before 2010, i.e., and have been present on the Bulgarian and international markets for more than 15 years. According to BACT data, the leading indicators for the sector for the period 2019-2021, related to the quantity of sorted original, exported goods, the number of personnel and retail stores, the amount of textiles collected in Bulgaria, annual turnover, taxes, and social security contributions paid, are presented. The data presented for 2020, compared with 2019, show that the Covid crisis has negatively affected sorting volume and reduced the commercial retail network, both for large companies in the sector and for smaller traders, members of the Association.

The information sources for the empirical study include primary and secondary data, as well as literature.

*The primary data includes:*

- Conducting anonymous quantitative surveys in Google Forms on a 100% sample of 9 Bulgarian companies among representatives of the sector for sorting and

trading second-hand textiles, of which 7 (i.e., 77.78%) have responded to the survey.

- Direct observations of the sorting process and trade of second-hand textiles, which would allow data collection on practical challenges and existing practices in the sector.

The secondary data sources used are surveys of consulting companies conducted from 2015 to 2023 on a global trends scale regarding managers' attitudes toward preliminary preparation and crisis prevention. This method helps identify global trends and compare them with the quantitative study's results.

It is clarified that the empirical study covers only organizations that sort and trade second-hand textiles in Bulgaria, but not commercial companies that carry out separate collection, wholesale and retail trade, import and export of second-hand textiles, when the subject of activity excludes sorting. The study does not cover the collection and analysis of financial and other economic information related to the activity, except for the analysis of respondents by segments based on various characteristics. It was specified that due to the extraordinary diversity of legal forms and ownership, as well as the combinations of sorting, trading, and other activities such as recycling and/or separate collection in the subject matter of business activity of the companies, the analysis of selected financial indicators would not be relevant and would not support reliable conclusions. For such an analysis, consolidated statements are also required, as well as detailed financial information on revenues, expenses, and balance sheet items by type of activity, which are confidential to the companies and not publicly accessible.

The developed survey comprises 25 questions, divided into 3 sections: general information about the company; prevention and overcoming crises, and the difficulties companies encounter when preparing, maintaining, and developing an anti-crisis plan. ***The first section***, "General information about the company", includes eight closed questions aimed at collecting general information about the activity that would allow analysis in segments such as legal form, beneficial owner, year of establishment, number of employees, type of enterprise, market, volume of the activity and number of levels in the hierarchical structure for making operational and strategic decisions. ***The second section*** includes 16 questions in 3 *subsections*, *focused on previous experience with crisis phenomena*, the presence or absence of anti-crisis and communication plans.

Two separate sub-sections were developed for respondents who have, or do not have, an established crisis management plan and crisis communications plan. For those who do have a developed crisis management plan, the questions address avoided risks, identified necessary changes to the crisis plan following an analysis of crisis response, elements of the crisis plan including the communication plan, whether periodic testing is conducted, the applied crisis management model, and the benefits of having a developed, regularly maintained, and continuously improved anti-crisis plan.

For respondents who do not have a crisis management plan, four questions were asked to determine their attitudes toward the usefulness and regular maintenance of such a plan, which elements they would include in the crisis management plan and the crisis communications plan, and how frequently they would conduct regular testing.

The questionnaire concludes with *a third section* that includes one question for all study participants, aimed at identifying the main challenges they face in preparing, maintaining, and developing a crisis management plan, including a communication plan.

In *paragraph 3, Approbation of the research hypotheses*, an analysis is presented of the results of global surveys among companies from different sectors for the period 2015-2024, which clearly show changes in respondents' attitudes before, during, and after the Covid crisis. The conclusion is formulated that the closer the date of the pre-crisis survey approaches, the greater the decline in interest in crisis management. At the same time, since 2019, the percentage of companies investing in crisis management and sustainability measures has increased.

Analysis of the main findings from global studies shows that more than half of companies rate the effectiveness of the anti-crisis plans they have developed and implemented positively, and that there is a common understanding of their main elements. If there are differences, they are mainly due to the weight of each element and the instruments included. It is indicated that all global studies emphasize communication with stakeholders as a primary approach to both preventing and coping with emerging crisis phenomena, with greater confidence in internal communication than in communication with investors, regulators, suppliers, and the media. There is a common understanding of the need to expand responsibility for crisis management across more levels of management and to ensure the necessary expertise, resources, and infrastructure for a comprehensive sustainability program. In its entirety, the conclusions drawn thus correspond with the findings in Chapter I.

In the empirical research, the following three hypotheses are approbated and confirmed:

- *Hypothesis 1:* Overcoming the factors that hinder successful crisis management in the second-hand textile sector in Bulgaria depends on the extent to which management perceives crisis management as a strategic priority.
- *Hypothesis 2:* The presence of an implemented, regularly updated, and tested anti-crisis plan, including a crisis communication plan, enhances the ability of organizations in the Bulgarian second-hand textile sector to deal with potential crises effectively.
- *Hypothesis 3:* There is a direct relationship between the communication preparedness of organizations for crisis prevention and response and the existence of a developed and utilized crisis management model.

During the approbation of the hypotheses, several important conclusions were drawn regarding the condition of the studied sector. Larger companies, which have more human and financial resources for prevention, have developed a crisis management plan and assess their performance as very good, unlike smaller companies that lack such a plan. The factors that hinder the development, implementation, and testing of a crisis management plan are directly related to insufficient resources for preparation and prevention: the dynamics of the external and internal environments quickly depreciate such a plan, and limited administrative capacity.

To achieve sustainability, organizations need both expertise and the allocation of the necessary financial and human resources for effective crisis management. The fulfillment of this task is only possible if management is directly involved in choosing prevention and coping strategies at the different stages of the crises that have occurred. The conclusion that the leadership of organizations in the research sector does not perceive crisis management as a strategic priority, in practice, limits opportunities for investment in the education and professional development of a management and expert team to address crisis challenges.

The analysis of empirical study data confirms that implementing, regularly updating, and testing an anti-crisis plan significantly improves organizations' preparedness to deal with crises. The sector's general attitudes indicate that prevention increases the confidence of management and operational teams in the necessary steps, responsibilities, timelines, and methods for ensuring sustainability and safety. This builds trust within and outside the organization about its ability to address challenges. Global survey results support the positive effects of having an anti-crisis plan, showing that organizations with such a plan have successfully managed crises.

It is summarized that companies in the sector that implement a crisis management model also have a developed communication plan, including a broader range of elements, which makes them better prepared for communication. This conclusion confirms a direct relationship between organizations' preparedness for crisis prevention and crisis management, and the presence of a well-developed and attached crisis management model.

### ***3.4. Chapter Three. Guidelines for achieving effective crisis management in organizations for sorting and trading second-hand textiles in Bulgaria.***

The third chapter summarizes the conclusions from empirical research and the hypotheses proven in the second chapter. It offers recommendations to improve the effectiveness of crisis management in the research sector. Crisis phenomena and the risks of their occurrence will always be part of people's and organizations' lives, as confirmed by global research. Almost all respondents (95%) of PwC's global survey, including those who did not report experiencing a crisis, expect to be affected by one in the future. The crises themselves take many forms and occur at all levels, and no company or region is immune.

*In paragraph 1, Guidelines for improving crisis management in organizations for sorting and trading second-hand textiles in Bulgaria* have concluded that, over their 15 years of presence in the economic and social life of the country, organizations from the studied sector confirm that they have gone through various types of internal crises with economic, political, technological, environmental, social, and organizational character. The sector has also dealt with external economic, health, political, and social crises. This wide variety of crisis phenomena is closely related to the dynamic environment in which organizations operate and to the many external factors and internal causes that influence their activities. Respondents agree that a large number of internal crises are preventable or can be reduced in their impact on their activities, in contrast to the trend for external crises and those of a technological or ecological nature.

At the same time, the empirical study identified several main reasons that hinder the research sector from developing and maintaining an anti-crisis plan, namely - insufficient resources for preparation and prevention since crisis management is outside of strategic priorities of the management; complexity of the topic of crisis management and need for additional expertise, time-consuming process, which makes it difficult to fully integration of the anti-crisis plan. Respondents acknowledge the need to implement, regularly update, and test the anti-crisis plan, including a communication plan as its essential element, and see these as basic

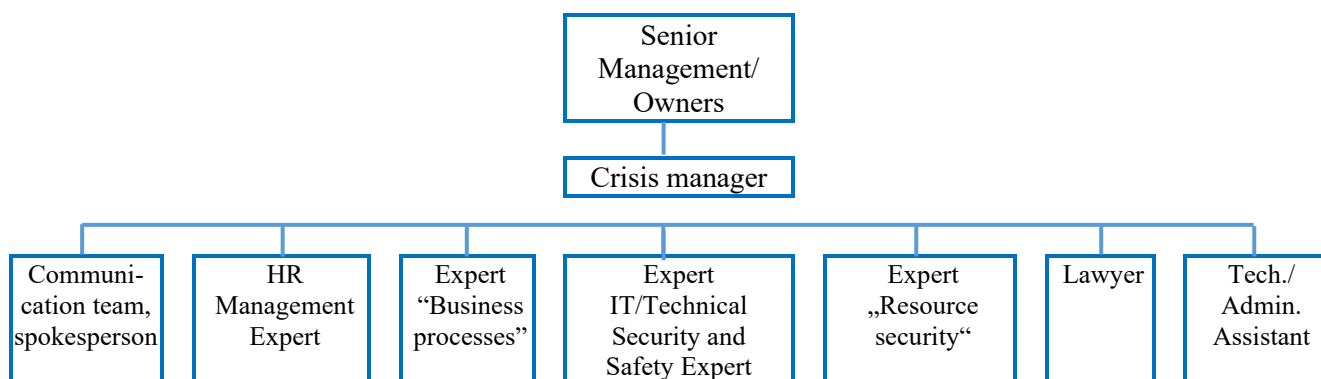
tools to prepare organizations to deal with potential crises. The presented results confirm a direct relationship between organizations' communication readiness to prevent and cope with crisis phenomena and the presence of a developed and used crisis management model.

The results of the empirical study substantiate the claim that organizations in the sector themselves define their potential for prevention and for dealing with internal crises, probably because they have complete information about the activity and how the internal environment operates, and because they themselves create and change the rules for implementing the activity. To build the same confidence in relation to the external environment, to a large extent the companies need more management focus, theoretical training and expertise, provision of resources for prevention, systems for monitoring and control, analytical work related to the risks arising from the external and internal environment, strategies for managing these risks and gap analysis – what else needs to be done for better prevention. An essential question for organizations in the sector is how to turn crises into opportunities. Crisis management should be a responsibility at all levels of management and recognized as a common goal by the entire organization, including employees, who can be powerful allies in achieving it.

Derived indicators that can be used to determine the level of resilience to potential crises in the sector sorting and trading second-hand textile in Bulgaria are the success rate in predicting and identifying triggering events, speed of response in managing risks and in case of an incident triggering events, roles clarity and adaptability of the anti-crisis plan and the plan for crisis communications, recognizing the strategic goal to achieve crisis resilience across the organization, high stakeholder trust and the organization's ability to emerge stronger from the crisis or turn it around in an opportunity. The recommendations for the researched sector also include the prospect of association and joint actions through BACT to achieve effective crisis management. Through associations or other forms of joint actions, organizations in the sector can receive a representative role in front of institutions and international organizations, to participate actively in the legislative process, to influence positively the introduction of innovations and good practices in the sector and raise public awareness, both for their mission and values, as well as for their contribution to achieve the goals for circular economy and sustainable development. In addition, BACT can support organizations engaged in sorting and trading second-hand textiles in Bulgaria with theoretical and methodological preparation and training, thereby increasing access to these resources, optimizing costs, and sharing them among members.

*In paragraph 2, the Conceptual framework for preparing an anti-crisis plan is presented, developed by the author and adapted to the needs of organizations in the sorting and trading of second-hand textiles sector in Bulgaria. It includes structure, scheduled processes, checklists, and auxiliary classifications for each stage and element, which can help organizations prepare an anti-crisis and communication plan.*

Regarding measures for preparation and prevention of potential crises, the framework includes structure of the crisis unit (see Fig. 5), roles and tasks of the crisis team, risk factors rating (see Fig. 6), preparedness analysis, determine the severity of an incident or risk of an incident (see Fig. 7), monitoring and alarming system on the risk of crises and assessment of the organizational readiness for prevention and management of potential crises.



*Фиг. 5 Structure of the crisis unit<sup>13</sup>*

For each element in the crisis unit structure, the conceptual framework provides a detailed description of its roles and responsibilities.

Potential risks for a specific organization are identified through analysis of the external and internal environments, with a negative impact on the activity; identification of weaknesses and defects in business processes; and the implementation of controls through the development of simulation models. It is indicated that *risk assessment* is carried out in the following steps: identification, analysis, and classification of the risk; development of a prevention plan; implementation of controls; monitoring of control effectiveness; and implementation of improvements to increase efficiency. Each risk factor is analyzed in terms of its probability of occurrence and the degree of impact on the organization's activities (see Fig. 6). A comparative analysis of the resources required for prevention and those actually allocated is conducted.

<sup>13</sup> The figure is developed by the author.

When identifying deficits, the crisis manager decides to optimize available resources and ensure prevention activities, considering the risk rating for the relevant risk. Risks with a rating of 1 are of primary importance for mitigation, followed sequentially by those rated 2, 3, 4, and 5.

Probability	Impact		
	Strong <sup>1</sup>	Medium <sup>2</sup>	Low <sup>3</sup>
High (70-100%)	1	2	3
Average (50-60%)	2	3	4
Low (below 50%)	3	4	5

<sup>1</sup> Impact on the health and safety of employees and customers, adverse event with massive scope on activities and units, compliance risk threatening the implementation of the activity, significant adverse effect in financial terms, significant negative impact on reputation.

<sup>2</sup> Isolated adverse event with a scope on several activities and units, weaker adverse effect in financial terms, medium negative impact on reputation.

<sup>3</sup> Negative event with a scope on a single activity or unit, with insignificant negative impact in financial terms, and a weak adverse effect on reputation.

*Фиг. 6 Risk factors rating<sup>14</sup>*

Based on the analysis of potential risks, the crisis team prepares a concept and introduces a system for monitoring and reporting the occurrence of incidents or potential crises, including indicators for identifying risks, acceptable limits for these indicators, responsible persons, and their tracking frequency. In case of deviations, the responsible employees escalate the issue in accordance with a pre-prepared protocol for escalating risks from incidents and crises.

To assess how prepared the organization is in achieving the strategic goal of preventing and successfully overcoming crisis phenomena, an Organizational readiness assessment matrix is implemented that takes into account the stages of implementation of each of the included indicators related to legal and institutional preparation, identification and monitoring of risks, resource security, readiness for primary response and a system for timely identification and defect removal. The organization is well prepared to handle potential crises, with 100% performance across all indicators. The framework for the crisis response strategy is based on three principles: responsibility, security, and cooperation. In case of a crisis or an emergency involving assets or personnel, the compliance with the following protection priorities is of primary importance: (1) people; (2) assets; (3) reputation.

*The Matrix for determining the severity of an incident or risk of an incident is applicable when responding to an emerging crisis or an incident (see Fig. 7):*

<sup>14</sup> The figure is developed by the author.

	Impact		
Urgency	Strong <sup>1</sup>	Medium <sup>2</sup>	Low <sup>3</sup>
High <sup>4</sup>	1	2	3
Average <sup>5</sup>	2	3	4
Low <sup>6</sup>	3	4	5

<sup>1</sup> Impact of health and safety of employees and customers, a negative phenomenon with a massive scope on activities and units, regulatory risk threatening the implementation of the activity, significantly adverse financial influence, and significantly negative impact on reputation.

<sup>2</sup> Isolated negative phenomena with scope across several activities and units, weaker negative financial impact, medium negative impact on reputation.

<sup>3</sup> A negative phenomenon with a scope on a separate activity or unit, with a negligible negative impact in financial terms, and a weak negative impact on reputation.

<sup>4</sup> Quickly increasing intensity out of the control of the responsible officials.

<sup>5</sup> Medium growing intensity that can be controlled.

<sup>6</sup> Low intensity, under control.

*Fig. 7 The Matrix for determining the severity of an incident or risk of an incident<sup>15</sup>*

It is stated that the reaction time is determined according to five degrees of incident severity, which range from very low, low, medium, high, to critical (see Fig. 8).

Severity	Description	Reaction time
1	Critical	Immediate
2	High	3 hours
3	Medium	24 hours
4	Low	48 hours
5	Very low	Up to 5 days

*Fig. 8. Response time according to the seriousness of incident or risk of incident<sup>16</sup>*

The organization of actions for responding to crises and emergencies is divided into three levels, each with defined tasks to be carried out. In the Conceptual framework, a structure of these levels is proposed, along with a distribution of strategic, tactical, and operational tasks among them.

It is specified that the crisis team, under the leadership of the crisis manager, has the responsibility to develop and implement a specific plan to address an emerging crisis by carrying out the following activities in sequence: conducting an analysis and selecting a strategy for

<sup>15</sup> The figure is developed by the author.

<sup>16</sup> The figure is developed by the author.

response, and in accordance with the prepared crisis plan, the crisis team sends instructions to the affected units/teams on how to handle the specific crisis by translating the plan into concrete steps, roles, and responsibilities. The crisis team assigns tasks that require the Human Resources Department's involvement. It activates and executes the planned activities in the communication plan applicable to the specific situation. Upon identifying an incident or crisis event, the Crisis Segmentation Matrix should be applied to classify crises into four segments, each with corresponding management approaches and outcomes, as described in detail in the dissertation.

After analysing the information regarding the emerging crisis event, the crisis team should decide which measures or strategies to implement to address it. A table presents a set of methods suitable for application both before an actual crisis and after its resolution, with specific risks identified for each in the context of the studied sector.

The crisis team prepares periodic analyses for the management to monitor identified risks, assess the organization's level of preparedness, and determine appropriate strategies for implementation during the prevention period and after exiting the crisis.

A separate section describes the framework of the *communication plan* as an essential element of the crisis management plan. It should outline the steps required for an effective response aimed at prevention and mitigation, including minimizing damage, ensuring necessary resources, assessing vulnerabilities, and defining the roles and responsibilities needed for its implementation. It is stated that the primary responsibility for maintaining an up-to-date and functional communication plan before a crisis lies with the crisis manager. Preliminary preparation for developing such a plan includes forming a communication team, compiling contact information for all responsible communication personnel updated quarterly, identifying and training spokespersons, preparing key messages and statements based on identified vulnerabilities, establishing social media and digital communication policies for employees, developing messaging for answering phone calls or emails during the crisis period, creating a plan for updating website information for the media and key audiences, training the communication team and engaging external experts, and identifying individuals and their contacts to be notified in case of a crisis. The elements listed in the communication plan represent the minimum requirements, and management may expand and adapt them depending on the environmental context, organizational structure, and needs.

It is concluded that the described roles and responsibilities of the members of the crisis communication team can be grouped and assigned to specific managers and employees, with one person potentially responsible for multiple roles, depending on the organization's structure.

An important aspect is planning the necessary allocation of time and expertise to fulfil the respective responsibilities thoroughly and with the required quality.

The conceptual framework for preparing an anti-crisis plan includes a proposal to analyze the most critical stakeholders using the Stakeholder Matrix, a stakeholder management tool based on power and interest criteria. The primary stakeholder groups in the sector of sorting and trading second-hand textiles in Bulgaria are identified, and appropriate strategies for implementation across the different phases of crisis development are proposed.

It is stated that depending on the severity of the incident or risk of incident and the decisions taken to manage the crisis, the communication team implements a standard communication protocol, described in details in the Conceptual Framework, which defines actions to be performed within 1 hour, within 24 hours, within 48 hours and within 5 days from the occurrence of an incident/crisis. Throughout the entire period of application of the anti-crisis plan and the crisis communications plan, the crisis team documents everything that happened – specifics, time and place, degree of injuries, and other negative consequences, as well as facts and speculations.

The Conceptual Framework also focuses on the recovery period, once the crisis has passed. During this stage, the communication team continues to monitor the fulfilment of commitments made during the crisis and communicates this to the stakeholders. The crisis team evaluates how the crisis was managed, analysing key actions and messages, identifying which were effective and which did not achieve the desired results, and determining what could be improved in future potential crises. The results are summarized in a management report, which then decides on changes to the crisis management plan and all its elements, including the communication plan, which has an important role.

### **3.5. Conclusion**

The topic of the dissertation is distinguished by a high degree of relevance, stemming from the dynamic and uncertain environment in which organizations engaged in the sorting and trade of second-hand textiles operate in Bulgaria, the high level of public interest in waste-related issues and environmental awareness, as well as the high requirements of institutional policies on sustainable development and the circular economy. The research, conducted in its

entirety, confirms that successful crisis management is linked to the presence and maintenance of a crisis management plan, with the crisis communication plan as its key component.

To achieve the main objective of the dissertation, a comprehensive approach was applied — analysis of scientific literature, comparative research, and empirical testing of the formulated hypotheses. On this basis, the sector's specific characteristics were outlined, including its resource capacity, legal framework, strategic priorities, and vulnerability to various types of crises. A conceptual model for crisis management and a framework for developing a crisis management plan and a crisis communication plan were proposed, tailored to the specifics of the studied sector and aimed at enhancing its resilience.

Analysis of specialized literature shows that, regardless of the different meanings of the terms incident, crisis, catastrophe, disaster, and emergency, all of them can generate severe consequences for any organization. Crises are characterized by a dual nature — on one hand, they threaten stability and require immediate action, but on the other hand, they can stimulate positive change and organizational development.

The scientific literature identifies the pre-crisis phase as crucial for prevention and preparation, enabling the identification and mitigation of risks by creating and implementing a crisis management plan, which includes a communication plan. The post-crisis phase should focus on fulfilling commitments made during the crisis, evaluating the handling of the resolved crisis, and subsequent preparation through updating the crisis management plan and communication plan. In this sense, the study successfully positions crisis management and communication plans as key tools for achieving the strategic objectives of crisis management, ensuring structured and coordinated actions, clear communication with stakeholders, timely response, and the preservation of reputation.

The empirical study conducted on organizations engaged in sorting and trading second-hand textiles in Bulgaria provides an assessment of their preparedness for crisis prevention and management. The three formulated research hypotheses were confirmed. Comparing the results of the empirical study with global research revealed a similar trend in crisis preparedness, although the sector studied still lags behind global trends. The main challenges for sorting and trading organizations in Bulgaria are the lack of or insufficiently formalized crisis management and communication plans as tools for crisis response, the need for a systematic approach to risk identification and assessment, increased managerial focus on crisis management, theoretical training and expertise, allocation of resources for prevention, monitoring, and control systems, analytical work related to risks from external and internal environments, risk management

strategies, and gap analysis. Despite these limitations, there is a growing awareness in the sector of the need to implement crisis management systems and a willingness to adopt good international practices.

The study outlines several directions for future development: strengthening institutional cooperation with public and non-governmental structures to build a common prevention framework; exploring opportunities to implement new technologies in logistics, sorting, and distribution; and analyzing communication preparedness, considering the risks associated with the rapid spread of information and fake news.

In conclusion, crisis management in organizations involved in sorting and trading second-hand textiles is a key factor in their sustainability, competitiveness, and public trust. In the context of increasing environmental and social demands, the ability to anticipate, prevent, and manage crises becomes a strategic advantage, enabling threats to be transformed into opportunities for development and strengthening positions within the sustainable and circular economy in Bulgaria.

#### **IV. STATEMENT OF CONTRIBUTIONS IN THE DISSERTATION**

1. An analysis and supplementation of the existing theoretical and applied terminology and methodology for crisis management has been carried out. In this context, the crisis management plan and its component, the communication plan, are regarded as the foundation of effective crisis management.
2. Based on empirical research and comparison with global studies on crisis management practices, the main factors hindering organizations involved in sorting and trading second-hand textiles in Bulgaria from successfully developing, implementing, and maintaining a crisis management plan and communication plan have been identified. The need for a structured model of crisis management has been justified.
3. A conceptual framework for crisis management and for the development, implementation, and maintenance of a crisis management and communication plan has been proposed, tailored to the specifics of organizations engaged in sorting and trading second-hand textiles in Bulgaria. This framework represents a practical model for enhancing the effectiveness of crisis management that can be applied in other organizations with a similar profile.

## V. PUBLICATIONS RELATED TO THE DISSERTATION

### *Articles*

1. Pavlova, D. (2022) Crisis Communication Plan. *Izvestia Journal of the Union of Scientists – Varna. Economic Sciences Series*, 11 (2), pp. 215-225. ISSN (print) 1314-7390 (online) 2603-4085 <https://www.su-varna.org/journal/IJUSV-ESS/2022.11.2/?article=215-225.pdf>; <https://www.ceeol.com/search/article-detail?id=1092392>.
2. Pavlova, D. (2023) Crisis Management Models - Implementation Issues and Steps to Overcome. *Izvestia Journal of the Union of Scientists – Varna. Economic Sciences Series*, 12 (3), pp. 157-168. ISSN (print) 1314-7390 (online) 2603-4085 <https://www.su-varna.org/journal/IJUSV-ESS/2023.12.3/?article=157-168.pdf.html>.

### *Reports*

3. Pavlova, D. (2022) Communication in The Organization During A Crisis. *International Scientific and Practical Conference "Human Resource Management" 30.09.2022, University of Economics - Varna, issue 1, p. 330-335*. ISBN 978-954-21-1138-2 <http://conference.ue-varna.bg/hrm/wp-content/uploads/Proceedings/HRMConfProceeding2022.pdf>; <https://ideas.repec.org/a/vra/journal/v11y2022i2p215-225.html>.
4. Pavlova, D. (2024) Employees Communication Strategies During Organizational Crisis. *International Scientific and Practical Conference "Human Resource Management" 06.10.2025, University of Economics - Varna, issue 1, pages 161-170*. ISBN 978-954-21-1138-2 [https://ue-varna.bg/uploads/filemanager/303/publishing-complex/2023/Conference\\_HR\\_ISPC-2023.pdf](https://ue-varna.bg/uploads/filemanager/303/publishing-complex/2023/Conference_HR_ISPC-2023.pdf) <https://ideas.repec.org/a/vrn/hrmsnr/y2024i1p161-170.html>.

## **DECLARATION OF ORIGINALITY**

I declare that this dissertation is entirely my own work and that no other publications or developments have been used in its development in violation of their copyrights.